CLOSURE OF PURI GRAMIN BANK IN ORISSA

2557. SHRI PRAVAT KUMAR SAMANTARAY : Will the Minister of Finance be pleased to state:

fa) whether it is a fact that the NAIRI branch of the Puri Gramin Bank in Orissa remained closed for a number of working days in 1993;

(b) if so, for how many days the branch remained closed and the reasons therefor: and

(c) if so, who has been found responsible and what action is contemplated against the concerned officer ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINIS-TER *0F* STATB IN THE MINISTRY *OF* PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) to (c) Yes. Sir. National Bank for Agriculture and Rural Development (NABARD) has reported that Nairi Branch of Puri Gramin Bank remained closed for 46 days i.e. from 30-7-93 to 14-9-1993. The circumstance leading to the closure of the said branch Was mainly on account of detection of some fraud in this branch. The investigation carried out by the Head Office of the bank were obstructed by a group of local people on three occasions and they threatened the bank officials in a bid to hush up the fraud cases. Apprehending threat to the staff members and damage to bank properties/records, the branch was allowed to close on 30-7-1993 till the normally was restored and adequate police protection was pro-vided to staff and Bank's property. The bank has placed the concerned Branch Manager and Cashier-cum-Clerk under suspension and completed the investigation ctf the fraud. The Departmental action is in progress against the erring ofiicials. First Information Report (FIR) has also been lodged with the Police. The Nairi Branch has been reopened from 15th September, 1993 with Police protection.

INDO-JAPAN BUSINESS COOPERATION COMMITTEE

2558. SHRI P. UPENDRA : Will the Minister of Finance be pleased to state:

(a) whether the meeting of Standing Committee on Indo-Japan Business Co. operation Committee was held io Delhi in November, 1993;

(b) whether Japan has expressed its inability to invest in India unless 'barriers' are removed and Indian market becomes attractive to them; and

(c) what is the reaction of Government to this ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) Yes, Sir.

(b) Many requests are received from many countries regarding improvement of conditions for investmemt in India. The Japanese have expressed their interest for investment in India and they have also made some requests for improving investment conditions.

(c) The Government of India is continuously striving to improve conditions for investment in India while pursuing its policy for sructural reform and effecting all round improvement in the perfwrn-ance of the economy.

INCOME TAX EXEMPTION TO POONA MEDICAL FOUNDATION

2559. SHRI RAM DEO BHANDART: Will the Minister of Finance be pleased to state:

(a) whether it is a fact that Central Government have granted income tax exemption to Poona Medical Foundation Pune;

(b) if so, the basis on which the ex-emption was granted;

(c) whether Government have recieved any corruption charges against the Chief Administrator of the Foundation;

(d) if so, the details thereof;

(e) whether Government have alio received a demand that the income tax exemption to the foundation be cancelled : and

(f) if so, the action taken thereon ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) Yes, Sir. Up to Assessment Year 1991-92.

(b) Exemption has been granted under Section ll of the Income-Tax Act by holding this Foundation as a charitable institution.

(c) to (f) Yes, Sir. Complaint regarding malfunctioning in this Foundation has been received. Matter is under investigation as to whether the contents of the complaint are true and if yes, whether those are of the magnitude Warranting withdrawal of the exmption.

WAIVING OF LOANS BY STATE BANK OF INDORE

2560. SHRI RAM NARESH YADAV: Will the Minister of Finance be pleased state:

(a) whether it is a tact that the State Bank of Indore has waived loans amounting to crores of rupees during the year 1992;

(b) if so, the names of the borrowers and the amount of loan waived in each case;

(c) whether Government are considering to institute an enquiry into the matter toi fix responsibility for waiving loans;- and

(d) if so, the steps taken/proposed to be taken by Government in this matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) to (d) The banks being credit institutions grant advances for the viable ventures to various sectors of economy in the normal banking business after assessing their need based credit requirements. However, certain amount of bad debts arise despite all systems and procedures to ensure safety of funds lent. Banks write off certain advances as bad debts only when they are fully satisfied that these advances are ultimately irrecoverable, i.e. after exaust-ing all advances of recoveries. The aggre-gate amount of bad debts written off by the State Bank of Indore durring the year 1992—was Rs. 392.66 lakhs involving 4000 accounts. The approval in all the above stated cases were granted on recommendations of the Branch Manager/ Competent Authority by the Executive Committee and or competent authority in terms of powers delegated to them. Tn accordance with the statutes governing the public sector banks as also Jn terms of practices and usags customary amongst bankers, the banks do not divulge in-formation relating to the affairs of their constituents except in cireumstances which it is, in accordance with the law or practice and usage customary among bankers, necessary or appropriate for the hanks to divulge such information.

SETTING UP OF BRANCHES OF NATIONALISED BANKS IN ORISSA

2561. SHRI SANTOSH KUMAR SAHU : Will the Minister of Finance he pleased to state :

(a) the number of letters of intent that have been issued last year and so far in the current year for the setting? up of branches of the Nationalised Bank in Orissa: